



ENERGY ASSURANCE DAILY

Thursday Evening, October 04, 2012

Electricity

Update: SCE's Submits Response to Confirmatory Action Letter and Restart Plans to NRC for 1,070 MW San Onofre Nuclear Unit 2; Review to Take Months

The U.S. Nuclear Regulatory Commission (NRC) said Thursday that it will take months to closely analyze Southern California Edison's response to the Confirmatory Action Letter and its plans to restart its 1,070 MW San Onofre Unit 2 in California. In its response and restart plans, Edison said it had conducted more than 170,000 inspections of Unit 2 and concluded that it can be operated safely and within industry norms. Specifically, Edison stated:

- The tube-to-tube wear in the Unit 3 steam generators was caused by fluid elastic instability, a combination of high-steam velocity and low-moisture conditions in specific locations of the tube bundles and ineffective tube supports in the same locations.
- The high-steam velocity and low-moisture conditions existed in Unit 2, making it susceptible to the same vibration-causing environment. However, of the almost 20,000 tubes in Unit 2, all except two are known to have been effectively supported throughout its 21-month operating period.
- Unit 2 will be operated at 70% power, which will prevent the vibration-causing environment by decreasing steam velocity and increasing moisture content.
- Unit 2 will be shut down after five months for inspection of the steam generator tubes to ensure the continued structural integrity of the tubes, to measure tube wear and to confirm that the solutions are working.

Both units at the 2,150 MW San Onofre Nuclear Generating Station have been shut since January, when operators discovered the premature tube wear in the steam generators.

<http://www.songscommunity.com/docs/cal/CoverLetter.pdf>

<http://finance.yahoo.com/news/southern-california-edison-submits-response-124700159.html>

Reuters, 10:42 October 4, 2012

Deepwater Wind to Begin Construction on 30 MW Block Island Wind Farm off Rhode Island by 2014

After submitting the final state and federal permit applications on Tuesday, Deepwater Wind said that it plans to start construction on a 30 MW wind farm off Rhode Island by early 2014. The Block Island project will be powered by 6 MW turbines. The company is also planning three additional 1,000 MW offshore wind projects off of New York, Rhode Island, and Massachusetts. This includes the 1,000 MW Hudson Canyon wind project south of New York City, which could be a replacement energy source if Entergy Corp.'s 2,065 MW Indian Point nuclear power plant is shut in 2013 and 2015 when its two reactors' operating licenses expire.

Reuters, 12:29 October 3, 2012

Petroleum

Colonial Pipeline Lines 19 and 20 Shut After Gasoline Spill in Tennessee October 3

Colonial Pipeline on Wednesday shut its Line 19 stubline, which carries gasoline from Atlanta to Nashville, after detecting a possible release of approximately 500 gallons of gasoline near its Moccasin Bend Delivery facility in Chattanooga, Tennessee. As a precaution, the company also shut down Line 20, which carries distillate along the same right of way. There is no timeframe for when the lines will be open.

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1026365

Reuters, 11:18 October 4, 2012

Hydrotreater Fire Reported at ExxonMobil's 572,500 b/d Baytown, Texas Refinery October 3

ExxonMobil Corp. said in a filing with the National Response Center that a fire at its 572,500 b/d Baytown, Texas refinery has been confined to its hydrotreater production unit. According to the filing, the fire was caused by a hole in a reactor, which caused a blaze and triggered flaring. There were no injuries, and operations at the rest of the refinery were not impacted.

<http://www.marketwatch.com/story/exxonmobil-fire-at-baytown-refinery-confined-2012-10-04>

http://www.nrc.uscg.mil/reports/rwservlet?standard_web+inc_seq=1026383

Reuters, 11:07 October 4, 2012

Phillips Reports Flaring at Its 120,000 b/d Rodeo, California Refinery October 4

According to a filing with the California Emergency Management Agency, Phillips 66's 120,000 b/d Rodeo, California refinery experienced flaring due to a sulfur dioxide leak on Wednesday. The filing did not specify which unit was involved in the incident.

Reuters, 1:05 October 4, 2012

Hess Reports Emissions at Its 70,000 b/d Port Reading, New Jersey Refinery October 3

Hess Corp. reported on Wednesday that emergency service personnel responded to a vapor cloud release at its 70,000 b/d Port Reading, New Jersey refinery.

Reuters, 12:02 October 3, 2012

Update: United Steelworkers to Return to Husky's 155,000 b/d Lima, Ohio Refinery Monday

Members of the United Steelworkers Union (USW) Local 624 are scheduled to return to work at Husky Energy Inc.'s 155,000 b/d Lima, Ohio refinery October 8 after a four-month strike. The refinery has continued to operate without interruption during the strike. The 230 USW workers began the strike on May 25, alleging that Husky management had failed to negotiate in good faith for a contract to replace the one that expired on April 14.

http://www.cleveland.com/business/index.ssf/2012/10/oil_refinery_workers_in_ohio_e.html

Natural Gas

Atlas Pipeline Completes 200 MMcf/d Expansion at Its Wayonka Gas Plant in Oklahoma

Atlas Pipeline Partners said Wednesday that it has completed an expansion at its Wayonka natural gas processing facility in northwest Oklahoma, adding 200 MMcf/d of capacity and bringing its total capacity up to 400 MMcf/d. The new unit, which began operations at the end of September, is now running at a capacity of 130 MMcf/d. The plant receives natural gas and natural gas liquids from the Mississippi Lime fields in the region.

<http://www.reuters.com/article/2012/10/03/atlas-natgas-processing->

[idUSL1E8L3GU620121003?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43](http://www.reuters.com/article/2012/10/03/atlas-natgas-processing-idUSL1E8L3GU620121003?type=companyNews&feedType=RSS&feedName=companyNews&rpc=43)

Southern Union Reports Flaring at Its 140 MMcf/d Keystone Gas Plant in Texas October 3

Southern Union Gas Services reported that its Keystone plant was flaring low pressure gas after field units went down on high discharge pressure and a WTG pig stuck in a line, according to a filing with the Texas Commission on Environmental Quality.

<http://www11.tceq.state.tx.us/oce/ee/index.cfm?fuseaction=main.getDetails&target=174351>

Other News

Nothing to report

International News

Nothing to report.

Energy Prices

U.S. Oil and Gas Prices October 4, 2012			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	89.20	91.54	80.66
NATURAL GAS Henry Hub \$/Million Btu	3.21	2.92	3.63

Source: Reuters

Links

This Week in Petroleum from the U.S. Energy Information Administration (EIA)

<http://www.eia.gov/oog/info/twip/twip.asp>

Updated every Wednesday.

Weekly Petroleum Status Report from EIA

http://www.eia.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 10:30 AM and 1:00 PM Eastern Time every Wednesday.

Natural Gas Weekly Update from EIA

<http://www.eia.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 PM Eastern Time every Thursday.

ENERGY ASSURANCE DAILY

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<http://www.oe.netl.doe.gov/ead.aspx>

Please direct comments and questions to: ead@oe.netl.doe.gov